



DAVID SANDERS,  
Ph.D.

Director

# County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

May 2, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

## **REQUEST TO APPROVE AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 74336 WITH P&A FOOD SYSTEMS, INC. TO INCREASE MEAL COST (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Mayor to sign Amendment Number One (Attachment A) to Agreement Number 74336 with P&A Food Systems, Inc. (P&A) to increase the cost and improve the quality of meals and snacks served to children in the Shelter Care Center at Edmund D. Edelman Children's Court. This Amendment will increase the daily cost per child from \$5.25 to \$5.75, effective the date of execution through July 31, 2007. This Amendment will not change the Total Maximum Contract Sum of \$1,599,105. The cost of the Agreement is financed using 85% State/Federal revenue and 15% net County cost (NCC). Sufficient funding is included in the FY 2005-06 Adopted Budget and FY 2006-07 Proposed County Budget.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The current cost to the County under this Agreement is \$5.25 per child for a lunch and two snacks served to the children brought to hearings at the Children's Court. This amount has been unchanged since the contract was executed in January 2003 despite significantly higher food prices. The \$0.50 increase in the daily cost per child will allow the Contractor to continue to serve high quality, nutritious meals and snacks to the children in light of the rising food costs.

If the recommended action is not approved the quality of food and services would be negatively affected. Furthermore, the health and well-being of children would be compromised by providing lower quality meals and snacks.

#### Board of Supervisors

GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal 5, Children and Families' Well-Being and Strategic Plan Goal 7, Health and Mental Health, by providing good nutritious meals and snacks for the children at the Shelter Care Center waiting for court appearances.

### **FISCAL IMPACT/FINANCING**

The Total Maximum Contract Sum of \$1,599,105 remain unchanged. The Total Maximum Contract Sum was established based on an estimated volume of 4,857 meals per month at a cost per child of \$5.25; this estimated meal volume did not materialize. From January 2003 through December 2005, the average number of meals served per month was 2,896 with an average monthly cost of \$15,204. As a result of the lower than anticipated meal volume, the \$0.50 increase in the reimbursement rate per child can be absorbed within the current Total Maximum Contract Sum.

The estimated cost of the increase in the meal price for the remainder of the term of this Agreement is \$24,000. The cost of the P&A Agreement is financed using 85% State/Federal revenue and 15% NCC. There will be no impact on the FY 2005-06 Adopted Budget or FY 2006-07 Proposed County Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The current Agreement Number 74336 with P&A was approved by the Board on January 14, 2003 for the period of January 14, 2003 through December 31, 2005, for a total contract cost of \$1,012,860.

P&A, who provides meals and snacks at the Shelter Care Center, also has a concession contract with the Chief Administrative Office (CAO) to operate the cafeteria at the Children's Court. The CAO contract dictates that P&A provide food services to the Shelter Care Center. In order to align with the contract term of the cafeteria concession contract, Department of Children and Family Services (DCFS) requested and obtained approval from California Department of Social Services to extend the Agreement for an additional 19 months, from January 1, 2006 through July 31, 2007; and DCFS exercised its delegated authority to extend the contract at a cost of \$586,245.

In a letter and supporting documents from P&A dated October 18, 2005, P&A requested an increase in their reimbursement rate per child from \$5.25 to \$5.75 for the Shelter Care Center. The \$0.50 increase per child would result in a net increase to P&A of \$0.44 per meal after the deduction of \$0.04 sales tax and \$0.02 County commission. The contractor is requesting cost increases based on food and goods costs increases.

The supporting documents submitted by the Contractor indicated a Consumer Price Index (CPI) increase of 7.4% in the Food and Beverage industry from January 2003 to September 2005. The wholesale food price jumps 1.0 % in December 2005 alone, and the CPI for all food is forecast to increase 2.0% to 3.0% in 2006.

The requested increase is reasonable considering the commodity prices have risen in recent years. The Contractor could not have anticipated these cost increases at the time the Agreement was solicited. The increase in the reimbursement to the Contractor will ensure provision of quality meals and snacks.

The Department has evaluated and determined that the Contractor continues to be a responsible Contractor. The Agreement with P&A expressly provides that the County has no obligation to pay for expenditures beyond the contract amount. Further, P&A will not be asked to perform services that exceed the contract amount, scope of work, or contract dates.

It has been determined that Living Wage Ordinance is not applicable. P&A is in compliance with all Board and CAO requirements.

The CAO and County Counsel have reviewed this Board Letter. Amendment Number One has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

No additional contracting process was required for this amendment.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended action will continue to provide meals and snacks for the Shelter Care Center at Edmund D. Edelman Children's Court that is necessary in keeping children in good health by providing quality meal and snacks. DCFS has also concluded that this Amendment will not result in reduction of County services

### **CONCLUSION**

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The Honorable Board of Supervisors  
May 2, 2006  
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Upon approval and execution of Amendment Number One, instruct the Executive Officer/Clerk of the Board to send an executed copy of the adopted Board Letter and Amendment to:

1. Department of Children and Family Services  
Contract Development/Fiscal Management  
Attention: Walter Chan, Manager  
425 Shatto Place, Room 400  
Los Angeles, CA 90020
2. Office of the County Counsel  
Social Services Division  
Attention: David Beaudet, Deputy County Counsel  
648 Kenneth Hahn of Administration  
500 West Temple Street, Suite 602  
Los Angeles, CA 90012
3. P&A Food Systems, Inc.  
Attention: Steven Pecoraro, President  
501 West Dyer Road  
Santa Ana, CA 92707

Respectfully submitted,

DAVID SANDERS, Ph.D.  
DIRECTOR

DS:WC  
SN:sm

Attachments (1)

c: Chief Administrative Officer  
County Counsel

**AGREEMENT NUMBER 74336**

**WITH**

**P&A FOOD SYSTEMS, INC.**

**AMENDMENT NUMBER ONE  
TO AGREEMENT NUMBER 74336 WITH P&A FOOD SYSTEMS, INC.**

This Amendment Number One ("Amendment Number One") to the Agreement Number 74336, adopted by the Board of Supervisors on January 14, 2003, is made and entered into by and between the County of Los Angeles, ("COUNTY"), and P&A Food Systems, Inc., ("CONTRACTOR"), for provision of meals and snacks for the Shelter Care Unit at Edmund D. Edelman Children's Court, this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

WHEREAS, the purpose of this Amendment Number One is to increase the meal cost per person effective the date of Board approval through July 31, 2007, to compensate CONTRACTOR for the administration of meals and snacks program for the Shelter Care Unit at Edmund D. Edelman Children's Court;

WHEREAS, CONTRACTOR submitted quantitative data to show a rise in food products and paper goods costs since 2003 to warrant an increase in the cost per meal; and

WHEREAS, this Amendment Number One is prepared according to the provisions set forth in Section 13.0, **CHANGES AND AMENDMENTS**, Subsection 13.1 of the Agreement;

NOW THEREFORE, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

1. Section 4.0, **CONTRACT SUM**, subsection 4.1 is amended to read as follows:
  - 4.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Agreement, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work. The maximum monetary amount payable by the COUNTY for each hot meal and two snacks including any tax or otherwise is \$5.25 per person served as referenced in the Pricing Schedule, Exhibit B-1. Effective upon execution of Amendment Number One, the maximum monetary amount payable by the COUNTY for each hot meal and two snacks including any tax or otherwise is \$5.75 per person served as referenced in the Adjusted Pricing Schedule, Exhibit B-2.
2. Section 5.0, **PAYMENT AND INVOICES**, subsection 5.2 is amended to read as follows:
  - 5.2 CONTRACTOR shall submit an invoice in arrears for services rendered in the previous month. All invoices shall be received within thirty (30) Days of the last day of the previous month but may be received later than thirty (30) Days, at COUNTY sole discretion, as long as sufficient funds remain under the Agreement. All such services rendered by CONTRACTOR shall be paid in accordance with Exhibit B-1, Pricing Schedule. Effective upon

execution of Amendment Number One, all services rendered by CONTRACTOR shall be paid in accordance with Exhibit B-2, Adjusted Pricing Schedule.

3. Exhibit A, Statement of Work, Subsection 10.3 is added to Section 10.0 **SCOPE OF WORK** and reads as follows:

10.3 CONTRACTOR shall provide the children with meals and snacks that are consistent in quality, size, and nutritional value throughout the term of this contract and any subsequent extensions, notwithstanding any changes in the costs to the Contractor.

4. Exhibit B-2 is attached hereto, and incorporated by reference into Exhibit B, Budget, of the Contract.

**ALL OTHER TERMS AND CONDITIONS SHALL REMAIN IN FULL FORCE AND EFFECT.**

**AMENDMENT NUMBER ONE  
TO AGREEMENT NUMBER 74336 WITH P&A FOOD SYSTEMS, INC.**

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY of Los Angeles has caused this Amendment to be subscribed by its Mayor and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and CONTRACTOR has caused this Amendment to be subscribed in its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Mayor, Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

P&A FOOD SYSTEMS, INC.  
CONTRACTOR

By \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
95-3235378  
Tax Identification Number

BY THE OFFICE OF COUNTY COUNSEL  
RAYMOND G. FORTNER, Jr.  
COUNTY COUNSEL

BY \_\_\_\_\_  
Deputy County Counsel



**ADJUSTED PRICING SCHEDULE  
FOR  
FOOD SERVICES**

P&A FOOD SYSTEMS, INC.  
Name of CONTRACTOR'S Company

The Pricing Schedule shall contain CONTRACTOR's basic rate to provide food services in accordance with Exhibit A, Statement of Work.

**The CONTRACTOR's basic cost for each meal and two snacks including any taxes:**

**RATE** effective the date of Board approval of Amendment Number One through July 31, 2007

Fixed Price per person served

COST PER Person \$ 5.75